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USDA RURAL DEVELOPMENT ANNOUNCES FUNDING FOR CITY OF MERKEL

MERKEL, TEXAS, January 9, 2006-- Bryan Daniel, USDA Rural Development State Director, today announced that the City of Merkel has been selected to receive \$2,750,000 through the agency's Community Program's Water and Waste Disposal Loan and Grant Program. The funds will be used to improve the water system by replacing the mail supply line from the City of Abilene, and installing a new pump station and ground storage tank. Another project, funded through USDA Rural Development in 2005 to repair the City's streets, will commence once the water and sewer project has been completed.

"The USDA Rural Development Water and Waste Disposal Programs target public health benefits and economic opportunities in America's rural communities," said Daniel. "Projects such as the one in Merkel will help make the environment cleaner and protect the public health for local residents."

In Fiscal Year 2005, \$80.7 million of loan and grant assistance was distributed throughout rural Texas to 315,249 households. USDA Rural Development's Water and Waste Disposal Program is designed to bring fresh, clean drinking water and sanitary, environmentally sound sewage facilities to rural America's 53 million residents. Loans and grants are available to rural communities with fewer than 10,000 residents. Public bodies, corporations operating on a non-profit basis, and Indian tribes, that are unable to obtain credit from other sources at reasonable rates and terms, are eligible for assistance.

USDA Rural Development was created in 1994 to serve Texas' more than 3.6 million rural residents. For further information regarding USDA Rural Development Programs, contact the Abilene Local Office at (325) 690-6162, Extension 4, or visit our website at http://rurdev.usda.gov/tx/.